

[20 April, 2001]

RAJYA SABHA

Privatisation of Paradip Phosphates

3848. SHRI RAMACHANDRA KHUNTIA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government have decided to restructure and privatise Paradip Phosphates;

(b) whether it is a fact that the recommendations of Fertilizer and Chemical Department has not been accepted by Government; if so, what was the recommendation of the Department and what has been accepted by Government;

(c) whether the proposal for conversion of Government of India loan to equity has not been accepted by the Finance Department; and

(d) whether the production of the Paradip Phosphates is going to be affected because of shortage of money for buying raw materials?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) to (c) The Financial Restructuring Scheme of Paradip Phosphates Ltd. envisaging reduction of equityf>reference share capital, conversion of Government of India (GOI) plan loan into equity shares, write off of interest on GOI plan loan, interest holiday and moratorium on payment of instalment of plan loan and provision of fresh cash infusion was considered by the Government on 28.11.2000. The Government approved the write off of interest and penal interest amounting to Rs 129.72 crore as on 31.3.2000 alongwith waiver of interest on Government of India Plan Loan and directed that the issue regarding minimum cash infusion may be sorted in consultation with Ministry of Finance.

On the recommendations of the Disinvestment Commission, Government have decided to disinvest 74% of its holding in favour of strategic buyers alongwith transfer of management control.

(d) The inability of the company to buy raw materials is likely to affect its production.